

GENERAL TERMS AND CONDITIONS SUPPLY AND PURCHASE (2018)

1 INTRODUCTION

These General Terms and Conditions for Supply and Purchase (hereinafter referred to as the "Conditions") are used and will form the terms and conditions of any agreement between any company belonging to Wärtsilä group (hereinafter referred to as "Wärtsilä") and a seller (hereinafter referred to as the "Supplier") concerning supply and purchase of goods and/or services.

2 DEFINITIONS

2.1 "Agreement" shall mean the written supply and purchase agreement with appendices (1), if any, the Order (2), the Conditions (3) and the Supplier's acknowledgement of order and/or offer (4). In case of any discrepancies between the documents, the order of priority shall be as stated above, unless otherwise agreed in writing.

2.2 "Delivery" shall mean the delivery of the Supply as agreed between the Supplier and Wärtsilä in accordance with Incoterms® 2010.

2.3 "Confidential Information" shall mean any information or data or both, or the substance of this Agreement, whether communicated by or on behalf of either Party to the other Party, disclosed before, on or after the date of signature of this Agreement, including but not limited to, any kind of business, commercial or technical information and data in connection with the purpose of this Agreement except for information which is demonstrably non-confidential in nature. The information shall be Confidential Information irrespective of the medium in which that information or data is embedded and if the Confidential Information is disclosed orally, visually or otherwise. Confidential Information shall include any copies or abstracts made of it as well as any products, apparatus, modules, samples, prototypes or parts that may contain or reveal the Confidential Information.

2.4 "Intellectual Property Rights" shall include but not to be limited to the rights on inventions, patents, utility models, technical examples, trademarks, trade names, domain names, Specifications, designs and models as well as any applications thereof and copyrights and related rights, Confidential Information, know-how and trade secrets, and any other corresponding rights and related subject matter eligible for protection under applicable jurisdictions as well as any right to apply for any of the foregoing; Intellectual Property Rights shall also include any improvements, enhancements and derivative works based on any pre-existing Intellectual Property Rights.

2.5 "Order" shall mean the purchase order, request or call-off of Wärtsilä for the Delivery of the Supply pursuant to the Agreement.

2.6 "Specifications" shall mean the technical specifications, requirements, production methods, documentation, packing and marking instruction, additional directives, designs, relevant standards, software, models, tools, blueprints, instructions, additional data and/or drawings of the Supplier's entire scope of Supply set forth in the Agreement and/or in the Order.

2.7 "Sub-supplier" shall mean any company performing any part of the obligations of the Supplier under the Agreement.

2.8 "Supply" shall mean the goods, equipment, accessories, tools (including but not limited to any raw materials and components of any of the foregoing) and, designs, documentation, services, software, firmware, hardware and/or consultancy to be purchased by Wärtsilä and designed, manufactured, tested, stored and/or delivered by the Supplier pursuant to the Agreement and the Order(s).

2.9 "Technical Data" refers to all data relating to the technical operating parameters of any Supply delivered, including without limitation, all information gathered from sensors, instruments, monitors, or other industrial control or SCADA devices located at the Wärtsilä end-customer's site or on the Supply.

2.10 All references to days shall mean calendar days not business days unless otherwise specified.

3 TERMS OF DELIVERY AND PERFORMANCE OF THE AGREEMENT

3.1 Title to and ownership of the Supply shall pass to Wärtsilä in proportion to the payment by Wärtsilä and in full upon Delivery at the latest. The Supplier warrants and guarantees that legal title to and ownership of the Supply shall be free and clear of any and all liens, claims, security interests and/or other encumbrances when title and ownership pass to Wärtsilä.

3.2 The Supplier shall perform its obligations in a professional and careful manner according to highest standards. The Parties emphasize the mutual understanding that the quality and timely Delivery are of utmost importance in the performance and execution of the Agreement. The Supplier shall give first priority to (i) quality, (ii) timely Delivery and (iii) co-operation with Wärtsilä for the purpose of fulfilling the obligations under the Agreement and the obligations of Wärtsilä towards the end-customer including but not limited to providing information and support related to the Supply as requested by Wärtsilä.

3.3 The Supplier shall verify before confirming the Order that the Supplier has obtained all information necessary to determine that the Supply is fit for its purpose. The Supplier is aware that the Supply will be used as a part of or in connection with marine, power or propulsion applications or power generating systems that may operate under extreme load, hard climatic conditions and/or twenty-four (24) hours a day.

3.4 The Supplier shall take good care of the Supply, Specifications, items, tools, moulds and materials provided by Wärtsilä and shall ensure that they are insured and kept in sound condition and stored properly. Unless otherwise agreed by Wärtsilä the Supplier shall not have the right to make any use of Specifications, items, tools, materials or know-how provided by Wärtsilä, other than for the purpose of fulfilling the Agreement.

3.5 The Supplier shall with due diligence inspect the drawings and Specifications provided by Wärtsilä. The Supplier shall without delay notify Wärtsilä of any defect, discrepancy and inconsistency discovered therein.

3.6 No failure or inability of Wärtsilä to inspect or test any part of the Supply, including drawings, information and samples, as well as any approval, consent or rejection by Wärtsilä, shall release the Supplier from its obligations and/or liability under the Agreement and/or law.

3.7 Before the Delivery of the Supply, the Supplier shall duly inspect and/or test the Supply in order to verify its conformity with the Specifications and perform the additional requirements for testing and inspection set forth in the Specifications, the Order and/or requested by Wärtsilä. The costs of inspection(s) and test(s) are included in the price.

3.8 Wärtsilä is not required to inspect the Supply upon Delivery. Instead, Wärtsilä must be able to rely on the quality management system of the Supplier which shall control the production process and shall assure that the Supply is in accordance with the Specifications and this Agreement.

3.9 Wärtsilä shall be entitled on objective grounds to reject the Supplier's personnel performing the Order at the premises of Wärtsilä or the end-customer of Wärtsilä as the case may be.

3.10 Wärtsilä shall be entitled to liquidated damages, without any need of further notice or judicial intervention, for delayed Delivery of an Order or any part of it, at the rate of three (3) percent of the price of the delayed Order per each commencing calendar day of delay with a maximum of twenty-one (21) percent of the price of the delayed Order.

3.11 Wärtsilä shall be entitled to liquidated damages, without any need of further notice or judicial intervention, for delayed Delivery of certificates, operating instructions and/or other documentation, at the rate of two (2) percent of the price of the delayed Order per each commencing calendar day of delay with a maximum of fourteen (14) percent of the price of the delayed Order.

3.12 In the event training is part of the Supply, the Supplier shall arrange and provide the training as agreed. The travelling costs for representatives of Wärtsilä shall be borne by Wärtsilä, whereas the costs of the training program and materials shall be borne by the Supplier.



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3.13 In the event reimbursable travelling is included in the Supply, it shall be made using the most economical travelling arrangements. Such travelling expenses shall be charged at cost against supporting documents.

3.14 The Supplier shall provide Wärtsilä with all necessary information for customs declaration as applicable, including information on general origin of the Supply. Where applicable the Supplier shall issue a supplier's declaration or a long-term supplier's declaration for the Supplies having preferential or non-preferential origin status in accordance with European Union rules of origin governing the preferential trade.

3.15 The Supplier shall have a security management system which shall i) ensure and document the supply chain security processes, and ii) prevent unauthorized access to and tampering with the Supply, the premises, the cargo units, the goods in transit and the storages. The Supplier shall comply with the security instructions of Wärtsilä.

3.16 The Supplier warrants and undertakes to inform Wärtsilä promptly in writing of any event which in the reasonable judgement of the Supplier may adversely affect the Supplier's ability to deliver, to perform in accordance with the Agreement and/or the suitability of the Supply for use.

3.17 The Supplier shall not change (and shall ensure that no Sub-supplier will change) the Supply, the Specification (including without limitation, detailed design, components or materials), the production methods, or the production location without prior written consent of Wärtsilä.

3.18 In case the Supplier or its Sub-supplier makes any changes to the manufacturing methods, the place of manufacturing, the production process and/or the design owned by it pertaining to the product being part of the Supply, the Supplier shall communicate such changes to Wärtsilä without delay in order for Wärtsilä to be able to foresee any possible consequences.

3.19 The Supplier agrees that the Technical Data shall belong to Wärtsilä, and shall be transmitted to Wärtsilä for purposes including, but not limited to, developing its products, solutions and services. Wärtsilä shall own all works, products, reports and improvements based upon, derived from, or incorporating Technical Data. Technical Data may be transferred (a) to the Wärtsilä affiliates and (b) to third parties who act for or on Wärtsilä's behalf for processing in accordance with the non-exclusive purpose(s) listed above or as may otherwise be lawfully processed. Wärtsilä's rights to use Technical Data shall survive the termination or expiration of this Agreement, any applicable warranty period and any other commercial contract between the Supplier and Wärtsilä.

3.20 The Supplier warrants that the Supplies, including its logic-bearing system components (e.g. hardware, firmware, and software hereafter referred to collectively as the "Critical Components") shall in no event contain any viruses, trojans, spyware or any other malware and it shall not manufacture, distribute or subject any of Wärtsilä information systems to the same. The Supplies shall be delivered with the latest authentic Supplier security patches. The Supplier agrees to provide summary documentation of all known vulnerabilities for the Critical Components, and agrees to deliver the relevant documentation with the recommended compensating mitigation workarounds for the Supply.

3.21 The Supplier shall not, without the prior written consent of Wärtsilä, include any third party software, including open source software, in the Supply. At the request of Wärtsilä, the Supplier shall provide Wärtsilä with information on the third party software included in the Supply as instructed by Wärtsilä. Supplier shall at all times comply with the license terms of any third party software used as part of the Supply.

4 WARRANTY

4.1 The Supplier warrants and undertakes that the Supply is new, free from any defects and is in conformity with all requirements of the Agreement, the Specifications and the Order. Further the Supplier represents and warrants that it possesses the necessary professional skill, care, diligence, knowledge, experience and capability to execute and perform its obligations under the Agreement. The Supplier warrants and undertakes the sound professional and qualitative standard of the Supply. At the time of the Delivery the Supply shall conform to the Specifications, the highest technical standards and to the applicable laws and regulations. The Supply shall be fit for its purpose and for the special purpose of Wärtsilä in every respect.

4.2 The Supplier shall within one (1) calendar day respond to Wärtsilä's request and within three (3) calendar days have qualified manpower available to repair or replace without any cost to Wärtsilä, at the premises of Wärtsilä, any of its suppliers or the end-customers as the case may be, any defect resulting from the improper quality or standard of the Supply, defective design, workmanship and/or material.

4.3 Any defective part(s) shall be removed from and/or if necessary reinstalled to its current premises by the Supplier at the expense of the Supplier. The Supplier shall bear the costs and risk relating to the repair or

replacement of the defective part(s), including but not limited to any manufacturing, transportation, dismantling and installation costs as well as any costs incurred by Wärtsilä. All dues, customs, import and export charges, direct and indirect taxes and any other official charges imposed on the Supply repaired, replaced or removed hereunder, shall be for the account of the Supplier.

4.4 The warranty period expires after twenty-four (24) months from the date the Supply has been taken into operation by the end-customer of Wärtsilä or thirty-six (36) months from the date of Delivery to Wärtsilä, whichever later occurs.

4.5 The warranty period for part(s) or the Supply, which has been repaired or replaced under the warranty, shall be twenty-four (24) months from the date the repaired or replaced part or the repaired or replaced Supply has been taken into operation by the end-customer of Wärtsilä or thirty-six (36) months from the date of repair or the delivery of the replacement to Wärtsilä, whichever later occurs.

4.6 The warranty period for any Supply shall be extended if and to the extent the Supply cannot be used for its intended purpose by reason of a defect, damage or deficiency attributable to the Supplier.

5 PAYMENT TERMS

5.1 Subject to the Supplier performing its obligations and subject to the receipt of the invoice and documents by Wärtsilä, Wärtsilä shall pay for the Supply within ninety (90) days from the receipt of the invoice and the documents. Payment for the Supply is subject to deduction or set-off of any claim related to this Agreement which Wärtsilä may have against the Supplier.

5.2 All invoices and payments shall be in the currency stated in the Order/Agreement. All invoices shall refer to the Order number of Wärtsilä, item number in the Order and marking as to the description of the Supply (marks and numbers, number and kind of packages, gross and net weight, measurements, commodity codes, country of origin, information on eventual intercommunity Supply, the actual delivery address of the Supply). The Supplier shall separately specify the freight and insurance costs in the invoice, if any. In case Wärtsilä advises separately the Supplier shall deliver the invoices in electronic format.

5.3 If an undisputed payment or an instalment is delayed after the due date for reason attributable to Wärtsilä, Wärtsilä shall pay interest to the Supplier on the amount overdue at one (1) month Euro Interbank Offered Rate (Euribor) of the due date plus two percent (2%) per annum for each full calendar month the payment is overdue.

6 PACKING, MARKING AND DOCUMENTS

6.1 The Supplier shall furnish the packing material and adequately pack the Supply to withstand ordinary strain in transportation taking into account any instructions given by Wärtsilä and the nature of the goods and the method of handling and storage during transportation. Unpainted metallic surfaces of each component of the Supply shall be well protected against corrosion. The Supplier shall provide Wärtsilä and the freight forwarder of Wärtsilä details of the consignment, not later than seven (7) days prior to the Delivery. A container provided by the Supplier shall have the container safety certificate valid for one (1) year from the Delivery.

6.2 The Delivery shall include a case or unit specific packing list, as applicable, containing details, such as marks, item number, Order number, packages, dimensions, gross and net weight or any other information required specifically in the Order.

6.3 Upon Delivery the Supplier shall provide Wärtsilä with the invoice and the packing list, the Supply certificate, the classification documents and the measurement protocols in duplicate. The Supplier shall, upon Delivery, provide Wärtsilä with drawings, design documents, instruction manuals and maintenance instructions and spare part lists for the whole Supply. All information and documents shall be provided in the form required by Wärtsilä.

6.4 All drawings, designs, Specifications, schedules, Order confirmations, dispatch notes and other documents between Wärtsilä and the Supplier concerning the Agreement shall be in the English language and in the metric system of weights and measures, unless otherwise agreed. The Supplier shall label the Supply 'WÄRTSILÄ®', unless otherwise agreed.

6.5 The Supplier shall be fully responsible for affixing all applicable warning labels, safety and operation instructions.

6.6 If the Supply shall be delivered directly to the customer of Wärtsilä or his freight forwarder, the Supplier shall:

(i) provide Wärtsilä a preliminary packing list of the consignment (marks, item and Order numbers, packages, dimensions, gross and net weight etc.) not later than fourteen (14) days prior to the Delivery, and

(ii) provide confirmed packing lists to Wärtsilä and the freight forwarder of Wärtsilä upon Delivery.

7 VARIATION, SUSPENSION, CANCELLATION AND TERMINATION FOR DEFAULT

7.1 Wärtsilä has the right to issue a written variation, suspension or cancellation Order.

7.2 Variation

7.2.1 Wärtsilä has the right to order variations in the Supply. Variations may include, but are not limited to, increases or decreases in the quantity, changes in Specifications and execution of the Supply or any part thereof, as well as changes in the Delivery schedule.

7.2.2 In case the variation has a substantial impact on the scope of the Supply, the Delivery schedule or price, the Supplier shall issue an estimate containing (i) a description of the variation of the Supply (ii) a detailed progress- and resource plan for the execution of the variation (iii) the calculations of the effects of the variation on the price and Delivery schedule, if any. When Wärtsilä orders a variation the Supplier shall confirm the acceptance of the variation in writing within four (4) business days.

7.2.3 Unless otherwise agreed the Supplier may not proceed with the performance and execution of the variation without the Order and consent of Wärtsilä in respect of (i) - (iii) above.

7.3 Suspension

7.3.1 Wärtsilä has the right to temporarily suspend an Order or any part thereof. Wärtsilä shall specify which part of the Supply shall be suspended, the effective date of the suspension, the expected date for resumption and the mobilization- and support functions which shall be maintained while the Supply is suspended, as applicable.

7.3.2 When a suspension exceeding fourteen (14) days is ordered by Wärtsilä, the Supplier shall without undue delay submit an estimate to Wärtsilä, which shall contain (i) a description of the effects on the personnel, the Delivery schedule, the equipment and the Sub-suppliers, and (ii) a detailed demobilization- and progress plan for safeguarding the Supply.

7.4 Cancellation

7.4.1 Wärtsilä has the right to cancel the Order at its sole discretion, with the consequence that the Supplier's obligation to perform the Supply shall immediately cease.

7.4.2 Following such cancellation, the Parties shall negotiate and agree fair compensation of such Supplier's direct costs incurred prior and due to the cancellation which cannot be reasonably avoided. All Supplies paid by for by Wärtsilä shall become property of Wärtsilä.

7.5 Termination for Default

7.5.1 Wärtsilä has the right to terminate for default of the Supplier the Agreement and/or any Order in whole or in part by sending a notice with immediate effect, without prejudice to any other provisions, rights or remedies under the Agreement or law, in the event that:

(i) the Supplier commits a material breach of the Agreement and/or any Order and fails to remedy the same within thirty (30) days after having received written notice from Wärtsilä; or

(ii) it is clear from the circumstances that there will occur a delay in Delivery, which under the Agreement would entitle Wärtsilä to maximum liquidated damages; or

(iii) the Supplier ceases or threatens to cease carrying on its business or becomes insolvent or enters into a composition with its creditors or goes into liquidation; or

(iv) the ownership and/or management of the Supplier is changed significantly.

7.5.2 The Supplier has the right to terminate for default of Wärtsilä this Agreement by sending a notice in the event that Wärtsilä ceases or threatens to cease carrying on its business or becomes insolvent or enters into a composition with its creditors or goes into liquidation.

7.5.3 Wärtsilä has the right to terminate for default an Order in whole or in part in the event that the Supplier commits a material breach with regard to a specific Order and fails to remedy the same within seven (7) days after having received a written notice. In the event of termination under this Article 7.5.3 Wärtsilä shall be entitled to appoint a third party to complete the terminated Order or to complete the terminated Order itself and the Supplier shall pay all costs incurred by Wärtsilä in completing the terminated Order.

8 LIABILITY, INDEMNITY, SEVERABILITY, ETC.

8.1 The Supplier shall be liable for and/or indemnify and compensate Wärtsilä for all damages caused by the Supplier or the Supply, including product liability and/or hidden defects, in respect of: (i) physical injury to or death of any person(s); and (ii) loss or damage to any property, whether real or personal, including the Supply.

8.2 Neither Party shall be liable for any indirect or consequential damages and/or losses, such as loss of profit, loss of revenue and loss of time, under

the Agreement, unless the Party has been guilty of gross negligence or wilful misconduct. This exclusion of liability does not apply to the following (to the extent any of them would be considered consequential damages and/or losses): the warranty obligations of the Supplier, the obligation of the Supplier to pay liquidated damages, the indemnification obligations of the Supplier pursuant to Articles 8.1 and 9.1, and/or consequences of infringement of Intellectual Property Rights of the Parties.

8.3 The provisions of the Agreement are severable and if any provision is held to be invalid or unenforceable then such invalidity or unenforcement shall not affect the remaining provisions of the Agreement. The relevant provisions hereunder shall automatically be replaced by a valid provision that shall meet with the purpose hereof as close as possible.

8.4 The Supplier shall not be entitled to transfer or assign any of the rights and liabilities hereunder to any third party without the prior written consent of Wärtsilä.

8.5 In case of any termination of an agreement between Wärtsilä and its customer for the default of Wärtsilä, the Agreement shall be assignable by Wärtsilä to the customer of Wärtsilä or to another entity selected to replace Wärtsilä for performance of the obligations of Wärtsilä. The Supplier hereby consents to any such assignment.

9 INTELLECTUAL PROPERTY RIGHTS AND NON-DISCLOSURE OF CONFIDENTIAL INFORMATION

9.1 Indemnification obligation:

The Supplier shall indemnify, hold harmless and compensate Wärtsilä companies belonging to Wärtsilä group, system suppliers, directors, employees, representatives and customers from and against any claims, actions, damages, liabilities, losses, costs, suits and/or expenditures (including but not limited to attorney's fees and costs) incurred by Wärtsilä, its affiliates, any of its customers or Sub-suppliers arising out of, as a result of or in connection with a claim for infringement of Intellectual Property Rights of a third party by the manufacture, design, use, maintenance, service, support or sale of any Supplies.

9.2 Non-disclosure of Confidential Information:

Any and all past, present and/or future information and/or data disclosed by Wärtsilä to the Supplier pursuant to the Agreement ("Confidential Information") is disclosed in confidence irrespective of the medium in which that information or data is embedded and if the Confidential Information is disclosed verbally, visually or otherwise.

The Supplier shall:

a) not disclose Confidential Information to anyone except to the Supplier's employees or Sub-suppliers who reasonably need to know the Confidential Information and are bound by confidentiality obligations;

b) not use Confidential Information except for the purpose of fulfilling this Agreement; and

c) keep the Confidential Information in confidence with the same degree of care as is used for the Supplier's own confidential information and at least with reasonable care. Within ninety (90) days of termination or expiration of this Agreement Wärtsilä may request the disposal of the Confidential Information. Disposal means execution of reasonable measures to return or destroy all copies including electronic data. Destruction shall be confirmed in writing. Disposal shall be effected within thirty (30) days of the request being made.

9.3 Trademarks and other markings:

The Supplier shall honour and refrain from using or referring to the trademarks or trade names owned or generally used by Wärtsilä or any company belonging to Wärtsilä group in connection with the activities of the Supplier with third parties. Accordingly, the Supplier shall use Wärtsilä's proprietary markings (including but not limited to WÄRTSILÄ® and LIPS® trademarks, logos, spare part numbers, material numbers, drawing numbers, IMO numbers and/or symbols/codes based on ECC200 standard, hereinafter collectively referred to as "Markings") as per Wärtsilä's instructions and exclusively on Supply. The Supplier shall not deliver to third parties products, packages and/or documentation bearing any such Markings without Wärtsilä's prior written consent. Furthermore, the Supplier is not allowed to use the name "Wärtsilä" in its reference list without the prior written consent of the authorized representative of Wärtsilä.

9.4 The Supplier hereby acknowledges and agrees that any infringement of Article 9.3 or any other obligations of the Supplier regarding Confidential Information or Intellectual Property Rights, shall be considered as a material breach of this Agreement. Any such breach will entitle Wärtsilä, without limiting any other legal remedy or claim for damages under Agreement or law, to liquidated damages of one million Euro (€1,000,000) per each individual infringement (e.g. each infringing product delivered by the Supplier on the market), and/or to terminate the Agreement with immediate effect. Such compensation shall be payable within four (4) weeks from the date Wärtsilä has informed in writing the Supplier of the breach and provided reasonable evidence thereof.

9.5 Wärtsilä shall maintain title and ownership of Specifications, items, tools and materials provided by Wärtsilä. The Supplier shall clearly mark and keep them separate from other drawings, items, tools and materials.

9.6 The Supplier shall grant Wärtsilä a worldwide, non-exclusive, non-transferable, irrevocable, sub-licensable, perpetual royalty-free and fully paid-up license to the Supplier provided Specifications to the extent necessary for the utilization of the Supply.

10 FORCE MAJEURE

10.1 Neither party shall be considered in default under the Agreement due to the following circumstances beyond the control of a party: wars, civil riots, hostilities, public disorder, epidemics, currency and other restrictions imposed by governmental authority ("Force Majeure"). Force Majeure events shall not include non-performance of a Sub-supplier, shortage or lack of material or resources or shortage of transport.

10.2 As soon as any performance under the Agreement is likely to be affected by an event of Force Majeure the affected party shall give written notice to the other party setting out all relevant details of the same. The affected party shall be released from the performance of its obligations under the Agreement to the extent and for the period of time the party can establish that the performance has been prevented by Force Majeure. An extension of the Delivery or payment schedule equal to the impact of the Force Majeure event in question will be granted.

10.3 If requested by either party, the affected party shall discuss with the other party action to be taken to overcome the Force Majeure event and shall use its best reasonable endeavors to overcome such circumstances. If the performance of the Agreement and/or Order is prevented for more than two (2) months because of Force Majeure, either party may terminate the Agreement and/or the Order by a written notice to the other party. In case of termination the Parties shall decide a proper arrangement regarding the consequences of such termination, by way of repayment of money or otherwise, which shall be just and equitable under the circumstances.

11 COMPLIANCE

11.1 The Supplier shall comply with all applicable laws and regulations and the requirements of good citizenship in each jurisdiction where the Supplier performs its activities. This includes, but is not restricted to, compliance with laws and regulations on competition, corporate governance, taxation, financial disclosure, employee rights, environmental protection, occupational health and safety and export control. Wärtsilä's Code of Conduct is incorporated to this Agreement by reference and is available at <http://www.wartsila.com/sustainability/our-approach/code-of-conduct>. The Supplier agrees to comply, and agrees to ensure that it affiliates, suppliers, subcontractors and other representatives shall comply, with the Wärtsilä Code of Conduct.

11.2 The Supplier shall be fully responsible for its liabilities as an employer. The Supplier shall have management approved occupational health and safety programs implemented, the aim of which is to create a hazard-free workplace for its employees. The Supplier shall have a valid safety plan, equipment and trained personnel for emergency situations.

11.3 The Supplier shall support and respect the protection of human rights, as defined in United Nation's Universal Declaration on Human Rights (see <http://www.un.org/Overview/rights.html>). The Supplier shall promote freedom from discrimination based on race, ethnic or national origin, colour, gender, family status, sexual orientation, creed, disability, age or political beliefs or any other characteristics protected by law. The Supplier shall foster equal opportunity. The Supplier shall support basic labour rights as defined by the International Labour Organization (see www.ilo.org/ilolex/english/convdisp1.htm). In this respect the Supplier shall uphold the freedom of association and the effective recognition of the right to collective bargaining. In case these rights are restricted by local law, the Supplier shall offer its personnel alternative means to present their views. Wages paid for regular working hour and overtime hours shall meet at least the minimum required by the law. Illegal or unauthorized deductions from wages shall not be allowed. The Supplier shall not be engaged in any practice inconsistent with the laws and regulations prohibiting child labour. The Supplier shall not use any form of forced or compulsory labour. The Supplier shall provide necessary information to Wärtsilä in order for Wärtsilä to assess the Supplier's compliance with respect to Article 11 of these Conditions.

11.4 With respect to environmental requirements and regulations, including but not limited to noise and emissions, the Supply shall conform to all applicable laws and regulations and the latest standard for similar products. Any modification, documentation, approval or procedure required by applicable laws and regulations shall be on the responsibility and cost of the Supplier. The Supplier shall certify and ensure that the Supply is not containing asbestos or any other hazardous material in any form in the basic material or in the components used in the Supply. The Supplier shall

certify and ensure that the Supplier does not procure and the Supply is not containing tin, tantalum, tungsten or gold ("Conflict Minerals") originated in conflict-affected or high-risk areas.

11.5 Illicit Payments Prohibited

11.5.1 The Supplier acknowledges that it is expected to fully comply with all applicable laws prohibiting bribery, money laundering and extortion and also with the standards of conduct and spirit of the OECD Convention on Combating Bribery of Foreign Officials in International Business Transactions and the Commentaries thereon ("OECD Convention", see www.oecd.org/ under "Corruption") and the Rules of Conduct to Combat Extortion and Bribery of the International Chamber of Commerce ("ICC Rules" see www.iccwbo.org/ under "Anti-Corruption"), each of OECD Convention and ICC Rules being read and understood by the Supplier.

11.5.2 The Supplier represents and warrants that it and its employees as well as consented assignees, Sub-suppliers and alike, if any, do not directly or indirectly, (i) promise, offer, pay, solicit or accept bribes or kickbacks of any kind (ii) utilize other techniques, such as subcontracts, purchase orders or consulting agreements to channel payments or other benefits to government officials, to employees of the other contracting Party, their relatives or business associates, with the intention to influence or induce the referred owner or employee to use his or her influence to assist the Supplier or Wärtsilä in obtaining or retaining business or securing any improper advantage. The Supplier acknowledges that such activities may constitute a criminal violation of local laws and regulations punishable by substantial fines and/or imprisonment.

11.5.3 If the Supplier directly or indirectly offers, pays, solicits or accepts payment of any money or anything of value to any government, public or political party, official or an employee of a party involved in the Supply for the purpose of influencing the official or employee or an act or decision of such official or employee in the course of carrying out the Agreement, or is in breach of any of its representations and warranties in this Article 11, Wärtsilä is entitled, without limiting any other legal remedy under the Agreement or law, to terminate the Agreement through a simple notice with an immediate effect.

11.6 Export Control Regulations

The Supplier shall comply with all applicable export control laws and regulations. The Supplier shall obtain all required export licenses or agreements necessary to perform the Supplier's obligations under this Agreement, as applicable. The Supplier shall notify Wärtsilä if any use, sale, import or export by Wärtsilä of the Supplies to be delivered under this Agreement is restricted by any export control laws or regulations. When the Supplies are subject to export control the Supplier shall inform Wärtsilä the Export Control Classification Numbers (ECCN) for the supplied items (articles, technology and software). The Supplier shall indemnify, hold harmless and, at the election of Wärtsilä, defend Wärtsilä from and against all losses, damages, liabilities and expense, including but not limited to reasonable attorneys' fees, arising from or related to any act or omission of the Supplier or Sub-suppliers at any tier in the performance of any of its obligations under this Article 11.6. The Supplier shall ensure that its Sub-suppliers (if any) shall comply with the requirements of Article 11.6.

12 APPLICABLE LAW AND ARBITRATION

12.1 The Agreement shall be governed by and interpreted in accordance with the laws of the country where Wärtsilä (the purchasing entity) has its principal place of business.

12.2 All disputes arising out of or in connection with the Agreement shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one (1) or more arbitrators appointed in accordance with the said Rules. The proceedings before the arbitral tribunal shall be governed by the Rules of Arbitration of the International Chamber of Commerce, and where these Rules are silent, by the laws of the country where Wärtsilä (the purchasing entity) has its principal place of business. The arbitration proceedings shall be conducted in the English language and will take place in the capital of the country where Wärtsilä (the purchasing entity) has its principal place of business.

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